

## **2 FAM 640**

# **STANDARD PROVISIONS OF THE AWARD UNDER THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED**

*(CT:GEN-399; 10-18-2012)*  
*(Office of Origin: A/OPR/OS)*

## **2 FAM 641 AWARD DEFINITIONS**

*(CT:GEN-399; 10-18-2012)*  
*(Uniform State/USAID/USIA)*

***For the purposes of the 2 FAM 600, the following definitions apply:***

**Award:** Financial assistance provided by a Federal agency to a recipient to carry out a program.

**Department:** The U.S. Department of State.

**Direct costs:** Any costs that can be identified specifically with a particular award purpose.

**Educational supplies and equipment:** Materials used in the current and normal U.S. education practice and setting.

**Foreign Affairs Manual (FAM):** *The collection of the Department of State's policy directives and procedures.*

**Obligation:** A valid claim against the recipient of the award resulting from action by an authorized official pursuant to orders placed, contracts awarded, services issued, and similar transactions payable.

**Office of Overseas Schools (A/OPR/OS):** Department of State office that is responsible for administering the Consolidated Overseas Schools Assistance Program.

**Post:** A Foreign Service establishment in a country in which representation of the U.S. Department of State is maintained.

**Recipient:** An elementary or secondary school abroad and/or a U.S. educational organization receiving assistance pursuant to criteria stated in 2 FAM 614.

## **2 FAM 642 AWARD ARTICLE I—LIAISON**

*(CT:GEN-317; 03-08-2005)*

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 2  
General

*(Uniform State/USAID/USIA)*

All liaisons with the U.S. Government relative to the rights and responsibilities incurred by virtue of this award shall be through the post with the Office of Overseas Schools (A/OPR/OS).

## **2 FAM 643 AWARD ARTICLE II—PERFORMANCE**

*(CT:GEN-399; 10-18-2012)*

*(Uniform State/USAID/USIA)*

- a. The recipient certifies that it has the capability to plan, organize, and make all the arrangements necessary to carry out the educational activities and projects in connection with the award.
- b. The recipient certifies that adequate progress can be made to initiate the obligation of each line item specified in this award within the award period.
- c. The recipient agrees, as a condition of receiving this award, to accept as students, at no more than the school's normal tuition rates, all dependent children of U.S. citizens under Chief of Mission authority engaged in carrying out U.S. Government activities who request admission and are able to meet the school's standards of admission.
- d. The recipient warrants that no person or selling agency has been employed or retained to solicit or secure this award upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, the U.S. Government shall have the right to annul this award without liability or at its discretion to deduct from the amount of the award or otherwise recover the full amount of such commission, percentage brokerage, or contingent fee.
- e. The recipient shall not, except with the consent of the post and the Office of Overseas Schools (A/OPR/OS), transfer or assign any part of the sum made available hereby to another individual, institution, or organization for the performance of the functions, duties, or obligations assumed herein by the recipient.
- f. The recipient agrees that in connection with transportation paid for with funds made available under this award, all travel will normally be performed in accordance with Federal Travel Regulations. In extenuating circumstances that must be justified in writing by the recipient, travel may be performed as specifically authorized in advance by A/OPR/OS. The recipient shall ensure the use of U.S.-flag airlines unless they are not available or their use is not feasible, and such funds may not be used to provide first-class accommodations.
- g. The funds provided pursuant to this award shall be disbursed by the post through reimbursement for direct costs incurred (excluding any of the recipient's overhead expenses) by the recipient in carrying out the aforementioned approved purposes, and within the maximum time limitation

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 2  
General

set forth in Item 9 of Form DS-1909, Federal Assistance Award.

Reimbursement will be limited to direct costs for which obligations for said purposes are incurred by the recipient from and after the effective date of this award unless pre-award costs have been approved by A/OPR/OS. No indirect costs will be reimbursed under this award.

- h. In the event that the time prescribed should prove insufficient for the recipient to perform the purposes listed in the budget/purposes attachment of the award, A/OPR/OS, upon the request from the school and concurrence by the post, may initiate a one-time extension of the expiration date of the award for up to twelve (12) months. The recipient is responsible for ensuring that a request for extension of the period of the award is submitted to the post sufficiently prior to the expiration date shown in item 9, "Award Period," of Form DS-1909, to allow for processing by the post and A/OPR/OS. Extension will be effective on the date the appropriate school official signs Form DS-1909A, Amendment to Federal Assistance Award, which A/OPR/OS has prepared and sent to post.
- i. If the recipient fails to abide by any of the conditions set forth in this award or if the U.S. Government deems it in the best interest of the United States to terminate this award, the U.S. Government may so terminate it by giving the recipient no less than ten days' notice in writing, except in case of emergencies. In the event that this award is terminated, the recipient shall immediately terminate any contracts or other obligations which it may have entered into and shall return to the U.S. Government any balance of funds received from the U.S. Government which is unused and found to be unnecessary to liquidate outstanding obligations.
- j. Nothing contained in this award shall be construed as creating a contractual relationship between the U.S. Government and any person, contractor, or subcontractor employed or retained by the recipient.
- k. The recipient agrees to maintain a responsibly governed institution that is organized in accordance with accepted practices for schools of its type, with final authority over policy, finances, and other fundamental aspects of administration duly vested in a competent board of responsible persons, including representation by U.S. citizens.
- l. The recipient, through the exercise of sound management and fiscal policies by its governing body, agrees to follow financial policies which give reasonable certainty that the school will be capable of sustaining operations out of tuition or other school income. The recipient that receives more than \$500,000 in awards annually shall have performed an annual audit of the books and records pertaining to U.S. Government grants using the "Government Auditing Standards" published by the General Accounting Office (<http://www.gao.gov/yellowbook>), and also, include a determination that the funds granted by this award have been expended in conformance with the award provisions. In all matters relating to the audit work, the audit

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 2  
General

organization and the individual auditor, whether government or public, should be free both in fact and appearance from personal, external, and organizational impairments to independence. Such an audit may be performed by:

- (1) A local auditing firm;
- (2) A qualified accountant or accountants on the management staff at post; or
- (3) Such other qualified accountant personnel as may be approved by the post.

The recipient shall provide a copy of said audit to A/OPR/OS. The recipient will have one year to comply with recommendations to improve weaknesses noted by the post or the Office of the Inspector General (OIG) of the Department of State before the recipient is denied an award by the Department of State.

- m. The recipient agrees to endeavor to offer a well-rounded program of studies in which instruction is provided in the English language, and will endeavor to maintain teacher and academic standards that approximate in quality those in comparable public elementary and/or secondary schools in the United States.
- n. The recipient agrees to offer the type of curriculum and instruction that will reflect U.S. theory and practice in education to the most reasonable extent practicable in consideration of:
  - (1) The location abroad;
  - (2) Local laws and regulations; and
  - (3) The needs of the student body as a whole.
- o. The recipient agrees that, when U.S. citizens are considered for employment, the recipient will not discriminate against any employee or applicant, because of race, color, religion, sex, national origin, or mental or physical handicap.
- p. Procurement of services, equipment, materials, and supplies authorized under this award shall be in accordance with USAID regulations.

## **2 FAM 644 AWARD ARTICLE III—PAYMENT**

*(CT:GEN-317; 03-08-2005)*  
*(Uniform State/USAID/USIA)*

- a. Except as provided for in 2 FAM 634, paragraph c, reimbursement of expenditures incurred pursuant to this award shall be effected through the presentation by the recipient to the post-certifying officer of a voucher or other request for reimbursement, listing the expenditures for which reimbursement is claimed, accompanied by supporting documentation.
- b. The recipient must submit requests for the reimbursement of funds expended pursuant to the award no later than ninety (90) calendar days from the expiration date of the award.
- c. The post, upon request of the recipient, may make an advance of an amount,

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 2  
General

not to exceed two months' estimated costs. If an advance is made in accordance with Circular A-110, Subpart C, Article 21(b)(7)(d), a blanket fidelity bond or other security acceptable to the post and the Department may be required. The post will reimburse the recipient, upon receipt of a properly documented request, an amount equal to reported expenditures, which when added to the initial advance, equals the total amount available under the award. Thereafter, requests for reimbursement for expenditures submitted by the recipient will not be reimbursed but will be applied to liquidate the remaining outstanding advance. In the event that the total amount of subsequent vouchers is insufficient to liquidate the amount of the outstanding advance, the recipient will refund the difference to the U.S. Government.

## **2 FAM 645 AWARD ARTICLE IV—FINANCIAL ACCOUNTABILITY AND REPORTING**

*(CT:GEN-317; 03-08-2005)*  
*(Uniform State/USAID/USIA)*

- a. The recipient shall, where practicable, deposit all advanced funds provided under U.S. Government awards in an insured bank account, regardless of the authority under which the funds are granted. The recipient shall, however, maintain a separate accounting record for each award.
- b. The recipient agrees not to furnish, advance, lend, pledge, or otherwise divert award funds, credit, or property made available by the U.S. Government to other operations of the recipient or other persons or institutions except as approved in advance by the post and the Office of Overseas Schools (A/OPR/OS).
- c. The recipient agrees that the post, A/OPR/OS, the offices of the inspectors general of the Department of State and USAID, and/or the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to and the right to examine any books, documents, papers, and records of the recipient pertaining to the purposes of this award during the term of this award. Furthermore, the recipient shall maintain such records until the expiration of three (3) years after A/OPR/OS has closed the award, which would include making final payments and receiving final financial reports and audits required under the award. During this period the post, A/OPR/OS, the offices of the inspectors general of the Department of State and USAID, and/or the Comptroller General of the United States shall have access to and the right to examine such records.
- d. Within the total amount specified in this award, the individual line items set forth in the budget/purposes attachment of the award may be increased or decreased in such a way as not to change any of the amounts set forth by more than twenty percent (20%), and only after the written approval of the post is received by the recipient; the post shall send one copy of such approval to

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 2  
General

A/OPR/OS. If percentage changes greater than twenty percent (20%) are required, the prior written approval of A/OPR/OS shall be obtained. In no event, however, may the total amount of the award be exceeded. Following the request of the school, concurrence by the post and approval by A/OPR/OS, A/OPR/OS will prepare Form DS-1909A, Amendment to Federal Assistance Award, to modify the line items. The post will obtain the signature of the appropriate school official, return one original copy to A/OPR/OS, and distribute the remaining copies in accordance with 2 FAM 615, subparagraph b(6) and other accompanying instructions.

- e. The purposes described in the budget/purposes attachment to the award cannot be changed unless approved in advance by A/OPR/OS.
- f. In the event any of the funds advanced by the post to the recipient are not obligated by the date of completion of this award, such funds shall be returned by the recipient to the U.S. Government, except as provided for in 2 FAM 643, paragraph h.
- g. In the event that interest or other income is earned on funds made available to the recipient pursuant to this award, such interest or other income shall become the property of the U.S. Government and shall be paid promptly to the U.S. Government. Such interest or other income shall not be used by the recipient for additional services under this or any other award.
- h. When dollar funds provided under this award are to be converted to local currency before disbursement to the recipient, as determined by the post, such conversion shall be made by the appropriate post disbursing officer.
- i. The recipient shall not receive U.S. dollars for carrying out the purposes of this award in any country in which the post-disbursing officer holds foreign currencies in excess of the needs of the U.S. Government, except where U.S. dollars are required to carry out the purposes of the award. The recipient shall receive all such currencies solely from the post-disbursing officer at the rate of exchange used by such officer at the time of disbursement.
- j. To the extent that the recipient expends funds provided by this award for purposes not authorized by the award as determined by the U.S. Government, it shall promptly refund or pay to the U.S. Government funds equal to such unauthorized expenditures.
- k. In the event the recipient must liquidate its operation and is unable to carry out any of the purposes of this award, all unexpended balances of funds advanced by the U.S. Government under the award shall be returned to the U.S. Government and all nonexpendable personal and real property procured or otherwise acquired by the recipient with funds made available by the U.S. Government under the award will be disposed of in a manner mutually agreed to by the U.S. Government and the recipient.
- l. The recipient shall submit annual financial reports due March 31 and a final financial report due no later than ninety (90) calendar days after completion of

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 2

General

award to post for transmittal to A/OPR/OS. Both reports are prepared on Form DS-2028, Overseas Schools–Grant Status Report.

## **2 FAM 646 THROUGH 649 UNASSIGNED**

*(TL:GEN-288; 01-31-1994)*